Fr: Keith
To: Kelly
Dec 6, 1990
Re: Cyberthon Video Proposal Feedback
cc: RN

Overall, this seems like it could be a viable project, but I worry about it getting out of control. The money involved seems especially vague thus far. The proposed means of funding and distribution are also still very vague and have no numbers as yet attached to them.

We do not want to get into a situation of having to put a lot of energy into overseeing a project like this, so I worry about it blowing up on us for any number of reasons (conflicts within the Doc Squad, funding foul-ups, poor financial controls on their part, a competing video product).

I don't think we want to be the source of any seed funding, but I do think we consider helping them find such funding (if $5,000 is indeed enough money). One possible way to approach this would be through funding stages 1 & 2 via selling the rough-cut video to our readers and Cyberthon attendees.

For purposes of rough calculation, if we assume that we sell those tapes for $15 net (after manufacturing and shipping/handling costs), then for each 100 tapes sold we would net $1,500, which would cover 100 hours of the spec time put in by the Doc Squad at 50% of their $30/hour rate. This is in addition to the 20 hours (each?) which they would be putting in on spec. So then how many copies would we have to sell to fund the project through Stage 2? Would getting the project through Stage 2 (and quickly) give it the leg up on actual eventual full production that it seems as though it would? + travel etc to find a funder. Expenses of raising funds.

If we can resolve our concerns (and the additional questions listed below) to our satisfaction, then I think this would be a good thing for us to do. it seems like a good subject for a video, and gives us a chance to explore that field.. Might even make us some money (though I doubt it).

1) We need more of a breakdown of the costs of this project, by stage and by area of expense.

2) What is the timeline for each of these stages?

3) How much could the resulting tapes be sold for (both the "quick and dirty" version and the polished version)?

4) How much can realisitcally be expectd from the various funding options:

- selling the completed documentary
- selling footage piecemeal
- distribution deal
- selling footage to an interactive producer

5) How much time/money is involved in getting to the completion of Stage 2? And how much would it then cost to manufacture X copies of the tape for direct sale? Would this "quick and dirty" tape be a good and interesting product for the Whole Earth Review/Cyberthon Participant audience? How many copies of such a tape could we realistically expect to sell? COST OF DOING A MAILING?

6) Is the $40,000 figure which is given for "production of a quality 1-hour show" the estimated total cost for Stages 1 through 3?

Because of the pay scale, this would have to be structured to be outside of Folio.

7) Once we get to the point of finalizing a budget, will the Doc Squad then work for that set amount, guaranteeing a finished product?

8) What do we think about the proposed 50/50 split on profits after all expenses are paid? Is this reasonable (seems so to me). Is it comparable to other similar projects' way of handling this?

9) Who on the Doc Squad has produced a comparable documentary before? What were they? With whom? Were they successful? Artistically? Financially? Done within budget? For how much money?

10) Who else is producing VR documentaries? How does this affect our prospects and our market potential?

11) Is it at all realistic to announce in the Spring WER anything other than the fact that a documentary is being worked on? What could we announce? Could we sell the rough-cut video as a way to get people to fund the slick version (we could offer those purchasers a discounted -- even free? -- version of the final video -- if it ever happens).

If there is benificence in our readership to be tapped, I'd want it to flow to WER.

What's a similar product already that is successful? Is there one? (topic can be different)

Amt of work & risk to take it from step to step to step (vs full up-front funding) implies a lot of work on our part -- too much, so must be structured to where we're minimally involved, minimally exposed.

Asked KAT to take over.
Names + addresses of Doc Squad (w/résumés, CV's)

what advtg is there to us if we sell rights to a producer and it produces the products? I don't see that we get anything at all, and we give up the rights.